

**Meeting of the
Board of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, Virginia**

June 11, 2002

DRAFT Minutes

Present:

Karen Beauchamp
Rose C. Chu
Manikoth G. Kurup, M.D.
Terone B. Green
Steven Minter
Elmer Neil, M.D.
James T. Parmelee

Absent:

Alan Bigley, M.D.
Joseph Green
H. Scott Seal
Marc Wheat

DMAS Staff:

Patrick Finnerty, Director
Cynthia Jones, Deputy Director
Mack Brankley, Assistant Director of Operations
Manju Ganeriwala, Assistant Director of
Administration and Finance
Nancy Malczewski, Public Relations Specialist
Tyris Taylor, Admin. Office Specialist III
Paige Fitzgerald, Counsel for the Board
Chris Schroeder, Admin. Staff Specialist

Guests:

H.K. Lee-Eli Lilley
Richard Grossman-Vectre
Leah Hamaker-Commission on Youth
Hobart Harvey-VHCA
Stacey Poole-TAP Pharmaceuticals
Marcia Tetterton-VANHA

Call to Order

Mr. Steven Minter, Chairman of the Board, called the meeting to order at 10:07 a.m. Introductions of all persons in the room were made.

Chairman's Comments

Mr. Minter stated that the next meeting of the Board is scheduled for October 8, 2002. He drew everyone's attention to the Committee assignments for each Committee and the Chairs of those Committees to be found on page 10 of the April 9, 2002 Minutes. He also stated that the Regulatory Update could be found under Old Business.

Mr. Minter asked for a motion to review and approve the Minutes of the April 9, 2002 meeting. Mr. T. Green made the motion to accept the Minutes and Ms. Chu seconded. The vote was **7-yes (Beauchamp, Chu, T. Green, Kurup, Minter, Neil, and Parmelee); 4-Absent.**

DMAS Advisory Groups

Mr. Patrick Finnerty, Director, presented a summary of the different groups that meet with the Department of Medical Assistance Services (DMAS). The summary was prepared because the Board may want to have a representative on some of these groups or may want to attend the meetings. Mr. Finnerty asked the Board to let him know if they required additional information for any of these groups.

A template was created for each to show the purpose, why required, composition, meeting schedule, and if reports are required. Mr. Finnerty briefly reviewed each group.

There was considerable discussion regarding the Provider Advisory Council (PAC).

Mr. T. Green stated that the name of this group should be changed to “Physician” Advisory Council. He commented that physicians’ reimbursement rates have not increased in the past 13-15 years. It was noted that several other provider types have their own advisory group.

DMAS could send out letters to CHAPO, the Medical Society of Virginia and specialty groups to form the new physician advisory committee. Mr. Finnerty noted that when forming the “Medicaid Transportation Advisory Committee (MTAC)” letters were sent to interested groups such as nursing homes, transportation providers, Community Services Boards—all different groups actively involved in transportation for recipients. DMAS asked that five names be submitted from each group, therefore, minority groups and the entire State could be geographically represented. Dr. Neil stated that the Medical Society of Virginia should definitely be contacted.

Mr. T. Green made a motion to rename the “Provider” Advisory Council to “Physician” Advisory Council. Ms. Chu stated that maybe we should keep the Provider Advisory Council and create a new committee for physicians. Mr. Parmelee stated that many committees are formed due to a problem or situation, then after the problem is solved, the committee is no longer necessary.

Ms. Beauchamp seconded the motion to change “Provider” Advisory Council to “Physician” Advisory Council. Mr. Minter asked if there was further discussion on this issue before voting. Mr. T. Green noted that when Board members receive calls from physicians, the calls could then be referred to this committee. He also asked that Mr. Finnerty set up the group. Mr. Minter stated that due to the current budget crisis, that the physicians be made aware that the committee is not being set up for the physicians to get more money. Dr. Neil stated that he has had many physicians ask how they could help the State save money during this budget crisis. Since Mr. T. Green made the motion, and Ms. Beauchamp seconded to rename “Provider” Advisory Council to “Physician” Advisory Council, having no further discussion Mr. Minter asked for the vote. The vote was **7-yes (Beauchamp, Chu, T. Green, Kurup, Minter, Neil, and Parmelee); 4-Absent.**

Mr. Finnerty noted that the first meeting of the Medicaid Transportation Advisory Committee (MTAC) on June 7 went very well. The committee came together in a spirit to improve the

system. It is noted that all problems have not been resolved, but this group has decided it will meet monthly, the third Wednesday of the month. The next meeting is scheduled for July 17. There are two Medicaid clients on the committee. Mr. T. Green stated that the formation of the group was good and that the transportation process has been improved as he has received less calls by disgruntled transportation providers. Mr. Minter asked that meeting dates and times for all these groups be listed on the DMAS web site.

It was noted that the Family Access to Medical Insurance Security Plan (FAMIS) Outreach Oversight Committee was accidentally omitted from this list, and will be added and sent to all Board members. This committee is required by the Code of Virginia. The next meeting of this group is scheduled for June 27, 9:30-11:30 a.m. at the Department of Rehabilitative Services offices.

Family Access to Medical Insurance Security Plan (FAMIS) Update

Ms. Cynthia Jones, Deputy Director, provided an update on FAMIS. This was the same presentation made to the Joint Commission on Health Care on May 30. She reviewed the statistics/enrollment numbers, the program challenges, and initial action plan to improve FAMIS.

Ms. Jones identified issues that will affect future enrollment numbers in FAMIS. She explained the loss in federal funds. In order for Virginia not to return any federal child health insurance funds, more than 93,000 additional children would have had to be enrolled in FAMIS since January 2002. She also noted that there were 13,435 children that were likely to be Medicaid eligible and told to go to the Department of Social Services (DSS). Only 2,661 of that number actually enrolled in Medicaid. Due to this, one of the changes to be made to FAMIS will be to have DSS involved in taking applications again. Among the most significant changes to be made will be better coordination between FAMIS and Medicaid, a single application form, and coordinated outreach for FAMIS and Medicaid. Ms. Jones continued to note the DMAS actions taken to date and noted the Board was represented by Ms. Chu and Mr. T. Green at the “Town Hall” meetings. Ms. Jones noted changes that will be made to FAMIS will be implemented in September. She presented a general timeline for making changes in the program.

Ms. Jones noted how Virginia compared to other states and problems associated with premium payments. It was noted that while premiums will be discontinued, co-payments will continue. Ms. Chu asked if co-payments were being collected by providers. Ms. Jones noted that most of the FAMIS children were in managed care and that the providers had not complained or have not been collecting the co-payments. Ms. Chu asked about the language barrier problem. Ms. Jones noted that if the Central Processing Unit (CPU) received the application in Spanish, then they should return the information to the prospective client in the same language. Ms. Jones noted the CPU hired more Spanish-speaking staff, they utilize the language line, and asked the Board to give DMAS feedback if they hear complaints.

Medicaid Cost Savings Initiative

Mr. Patrick Finnerty provided an update on Medicaid Cost Savings Initiatives. He discussed the language in the 2002 Appropriation Act which mandated that DMAS identify additional general

fund savings of \$10 million and the establishment of a facilitation group of interested parties such as providers, and advocacy groups to help identify potential actions to generate the required savings. DMAS has contracted with Barbara Hulburt to facilitate the process of identifying cost containment measures. Mr. Finnerty noted the initial participant list was attached with the handouts along with the proposed meeting dates, however, this was not an exclusive list and more people were welcome. DMAS must submit their report to the Governor and the General Assembly by October 1. He said that he would keep the Board apprised through the process. Mr. T. Green asked if transportation was represented. Mr. Finnerty stated that the transportation brokers were not represented, but people who use the services were. Mr. Minter stated that, given the magnitude of this issue, the Legislative Committee may want to meet in September depending upon the reports received.

OLD BUSINESS

Follow up from Attorney General's Office re Board Member Responsibility

Ms. Paige Fitzgerald of the Office of the Attorney General (OAG) reviewed her letter dated May 31, 2002, to the Board and DMAS which spelled out 18 items regarding the duties and powers of the Board. She noted that when the Board was not in session, the Director has authority to act on behalf of the Board.

Amendment of Bylaws

Ms. Paige Fitzgerald stated that at the April 9 meeting the proposed amendment to modify the Bylaws was submitted. There was no change in function, only a technical change of the Code Section number. Upon noting the change ~~§2.1-344~~ §2.2-3711 of the Code of Virginia, Mr. Minter asked for a motion to approve the amendment. Mr. Parmelee made the motion to accept the amendment and Dr. Neil seconded. **The vote was 7-yes (Beauchamp, Chu, T. Green, Kurup, Minter, Neil, and Parmelee); 4-Absent.** Upon approving the amendment, the Bylaws were also adopted with this modification.

Mr. T. Green asked that, according to Section 3.3 of the Bylaws, that Chapters 10, 11 and 12 of Title 32.1 of the Code of Virginia be sent to all the Board Members with the next mailing.

Regulatory Activity Summary

Mr. Minter asked if the Board had any questions regarding regulatory issues or updates. Having no questions, he thanked Ms. Vicki Simmons for her efforts in keeping the information up to date.

New Business

Mr. T. Green asked about the \$70-\$80 million disproportionate share hospital (DSH) disallowance. Mr. Finnerty stated that DMAS had filed an appeal with the Centers for Medicare and Medicaid Services (CMS). CMS filed their response and on June 4, 2002, DMAS responded to CMS. Darrell Grinstead, special counsel appointed by the OAG, continues to believe

DMAS's case is strong and that DMAS deserves the entire amount back. DMAS is waiting for CMS's appeal decision.

Adjournment

Mr. Minter asked if there were any other questions, having none, the meeting was adjourned at 11:35 a.m.